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Message Text

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62
ORIGIN PM-07

INFO OCT-01 NEA-14 ISO-00 DODE-00 TRSE-00 EB-11 COME-00

AID-20 IGA-02 EUR-25 L-03 CIAE-00 INR-10 NSAE-00

RSC-01 /094 R

DRAFTED BY DOD/DSAA-MR. D.GRANDPRE/PM/SAS-DJJAMES:DD
APPROVED BY PM/SAS-JFLADD
DOD/ISA - COL. SKOGERBOE
NEA/AFN - MR. MONTVILLE
TREASURY - MR. CROSSWHITE
NEA/RA - COL. MUNDY
---------- 060549
R 071308Z MAY 74
FM SECSTATE WASHDC
TO AMEMBASSY RABAT
INFO USCINCEUR

C O N F I D E N T I A L STATE 093454

E.O. 11652: GDS
TAGS: MASS, MO
SUBJECT: FY 74 FMS CREDIT FOR MOROCCO

REFERENCE: (A) RABAT 1599 (B) STATE 47897

1. WITH REGARD TO EXTRACT OF COL. ACHAHBAR'S RESPONSE, PARA 3 REFTEL (A), THE FY 74 CREDIT FOR MOROCCO REMAINS AS OUTLINED IN REFTEL (B); I.E., $12 MILLION IN USG GUARANTEED COMMERCIAL CREDIT. IT IS NOT REPEAT NOT USG DIRECT CREDIT FOR THE TOTAL $12 MILLION NOR CAN THE $12 MILLION BE EX-PANDED TO COVER A GUARANTEE FOR LARGER PRIVATE LOAN. US TREASURY REMAINS WILLING TO USE ITS OFFICES TO OBTAIN BEST AVAILABLE TERMS FROM COMMERCIAL LENDERS FOR THE $12 MILLION PRIVATE LOAN WHICH WOULD BE COVERED BY A USG GUARANTY (I.E., USG WILL GUARANTEE THAT GOM WILL REPAY TO COMMERCIAL LENDER TOTAL OF $12 MILLION LOAN EXTENDED BY COMMERCIAL LENDER TO GOM. FOR THIS GUARANTEE, US CONGRESS REQUIRES THAT GUARANTY
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RESERVE EQUAL TO 25 PERCENT OF PRINCIPAL SUM, NAMELY $3

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MILLION IN NEW OBLIGATIONAL AUTHORITY FUNDS, BE SET ASIDE.
THE GUARANTY RESERVE CANNOT BE USED AS DIRECT LOAN TO GOM.)
TIME IS CRITICAL, AS TREASURY WOULD NEED SEVERAL WEEKS TO
SOLICIT BIDS FROM PRIVATE LENDING INSTITUTIONS.

2. DISCUSSIONS WITH THE THREE PRIVATE LENDERS WHO HAD
INDICATED WILLINGNESS TO PROVIDE ADDITIONAL LOANS TO BE
COVERED BY A CENTRAL BANK OF MOROCCO GUARANTY, INDICATE THAT
ALL THREE ARE STILL WILLING TO PROVIDE LOANS AS STATED IN
THEIR RESPECTIVE CORRESPONDENCE TO THE GOM AND ARE FURTHER
WILLING TO CONSIDER TWO-YEAR GRACE PERIOD AND EXTENSION OF
REPAYMENT TO TEN YEARS.

3. REQUEST YOU STRESS TO THE SECRETARY GENERAL THAT THE
$12 MILLION IN FMS CREDIT IS BEING PROVIDED IN FORM OF A
USG GUARANTEE OF A PRIVATE LOAN OF $12 MILLION AND NOT AS
A DIRECT USG CREDIT TO GOM. RUSH

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 07 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Remarks:
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